

November 16, 2015

**Re: ARB proposal to include international, sector-based offset credits in cap-and-trade**

Dear California Air Resources Board Chair, Board staff, and Ombudsman:

The Asian Pacific Environmental Network (APEN) is a grassroots nonprofit organization whose mission is to ensure that all people have a right to a clean and healthy environment in which their communities can live, work, learn, play and thrive.

APEN is submitting comments to express our concerns with the California Air Resource Board (ARB) working paper on the inclusion of international, sector-based offset credits in the Cap-and-Trade Program, including jurisdictional “Reducing Emissions from Deforestation and Forest Degradation” (REDD) programs. We urge ARB to halt the process of including any new protocols for reasons outlined in this letter and comments submitted by others. If ARB were to move forward we strongly urge that issues of health, economic and local environmental impacts be addressed in California before the utilization of REDD programs.

**Environmental Justice Advisory Committee (EJAC) Oversight**

First, we appreciate that ARB is seeking community and stakeholder input, including comments from the EJAC, as a part of its decision-making process. However, we believe that ARB should go a step further by allowing the EJAC to maintain an oversight role that could provide real and meaningful community-based input to this process. Furthermore, should an international sector-based offsets protocol be approved in the future, the EJAC should retain the ability to provide programmatic oversight to the design and implementation of that international offset protocol.

Assigning greater jurisdiction to the EJAC is critical because the communities that it is meant to represent live on the frontlines near our state’s largest greenhouse gas (GHG) emitters. Nearly half of all Californians live within six miles of a facility that is a significant greenhouse gas emitter (46 percent); however, these residents are disproportionately people of color – 62 percent of nearby residents are people of color as compared to the 38 percent who are non-Hispanic white.<sup>1</sup>

This inequitable and unjust health burden is of great concern to APEN’s families and communities. Greenhouse gases are emitted side-by-side with noxious co-pollutants, like particulate matter, nitrogen oxide and other carcinogens. These co-pollutants produce a range of negative health impacts, including severe respiratory problems. Overall, people of color

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<sup>1</sup> Pastor, M., Morello-Frosch, R., Sadd, J. & Scoggins, J. (July 2010). Minding the Climate Gap: What’s at Stake if California’s Climate Law Isn’t Done Right and Done Right Away. Retrieved from: <https://dornsife.usc.edu/pere/mindingclimategap/>

experience over 70% more particulate matter emissions within 2.5 miles of major GHG emitters than white people. The communities where APEN's members and California's working families live and work need immediate air quality improvements and greenhouse gas reductions. The lives of vulnerable residents, not cost-containment goals for polluting industries, should be ARB's highest concern.

### **Inclusion of a Wider Range of Indigenous Viewpoints**

Second, while ARB's working paper has indicated that certain indigenous groups have been proponents of REDD activities, it is crucial that ARB also gives equal consideration to those that are more critical of international offsets and California's Carbon Offset Program. While buying carbon offsets allows a large oil refinery in Richmond, CA to increase its pollution where local families reside and work, various indigenous tribes in Acre, Brazil are being coerced into signing away their land rights while fearing police violence. Such serious abuses should be more thoroughly investigated in order to determine whether or not prevention and intervention measures are truly possible. By including the voices of those that have been negatively impacted by domestic and international offset programs, ARB could create a more informed decision regarding if and how it should include sector-based offset credits in its Cap-and-Trade program.

### **Allow Data to Drive Decisions**

Third, since participation in California's Compliance Offset Program is optional and thus not mandatory for polluting entities under AB 32, the size and extent of this program need not be determined right now. While ARB has placed a limit on the total amount of offsets that each covered entity may use, the Board is not required to supply the number of offset credits to produce that upper limit. Furthermore, a 2013 study by climate change researcher Barbara Haya has revealed that California's actual emission levels are lower than Business As Usual scenarios. As such, ARB's goal to expand its program and produce a greater number of offset credits is both unnecessary and undesired as curreddemonstrated by low industry demand. This goal also runs counter to the basic logic behind a market-driven Cap-and-Trade program.

As California continues to serve as a national leader in climate change policy, we hope that ARB will engage in more rigorous research to ensure that all efforts to reduce emissions are truly improving the lives of all people, cities and the environment. We look forward to seeing how ARB can adopt these recommendations as it continues to explore possibilities for incorporating sector-based REDD offsets in California's Compliance Offset Program.

Sincerely,

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